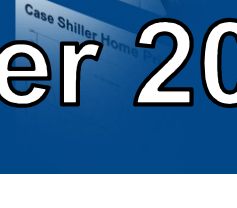
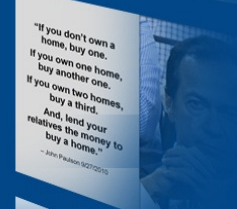
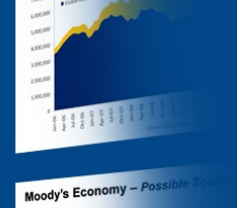
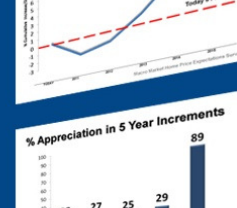
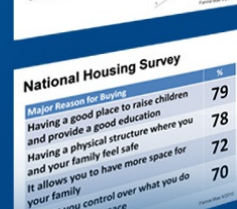
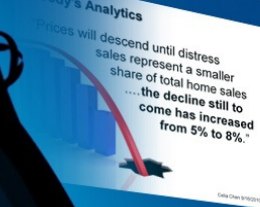


Keeping Current Matters



October 2011

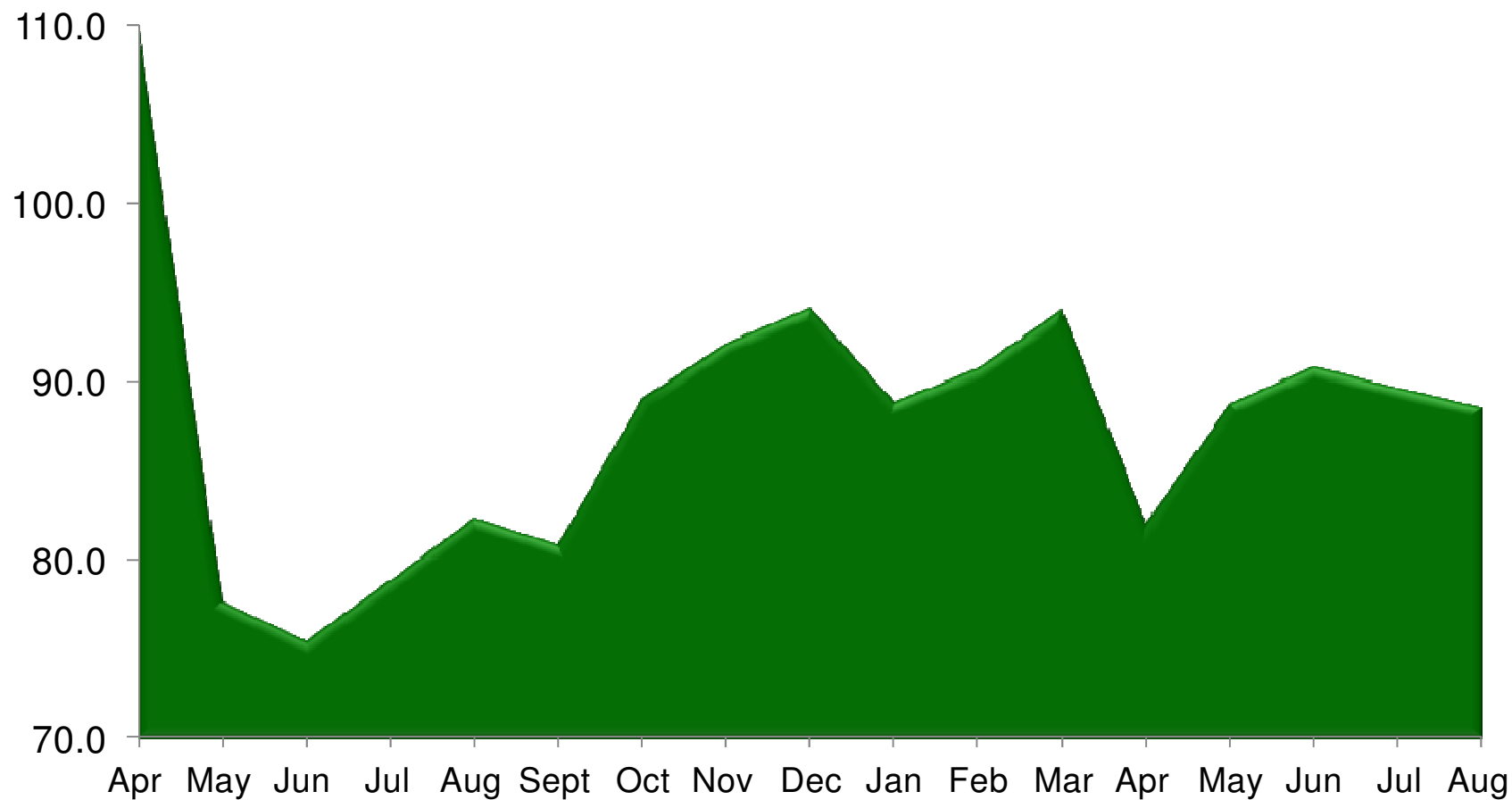
What About Real Estate?

**13,780 Homes
Sell Each Day**

**Up 18.6% Over
Last Year**



Pending Home Sales



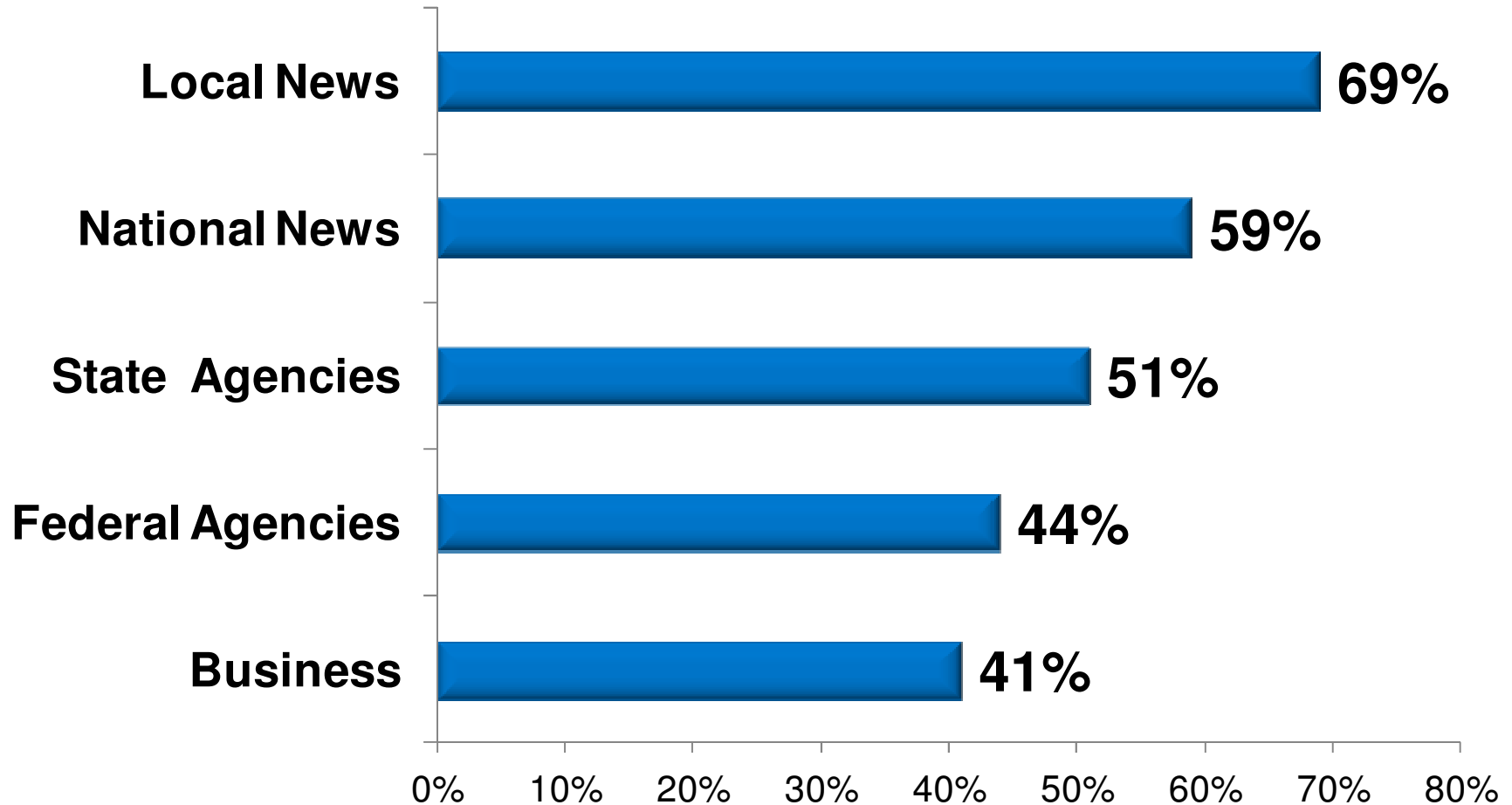
The Housing Market

“Celia Chen, senior director at Moody's Analytics, expects existing home sales will reach a 5.3 million annualized pace, and housing starts will touch 640,000.

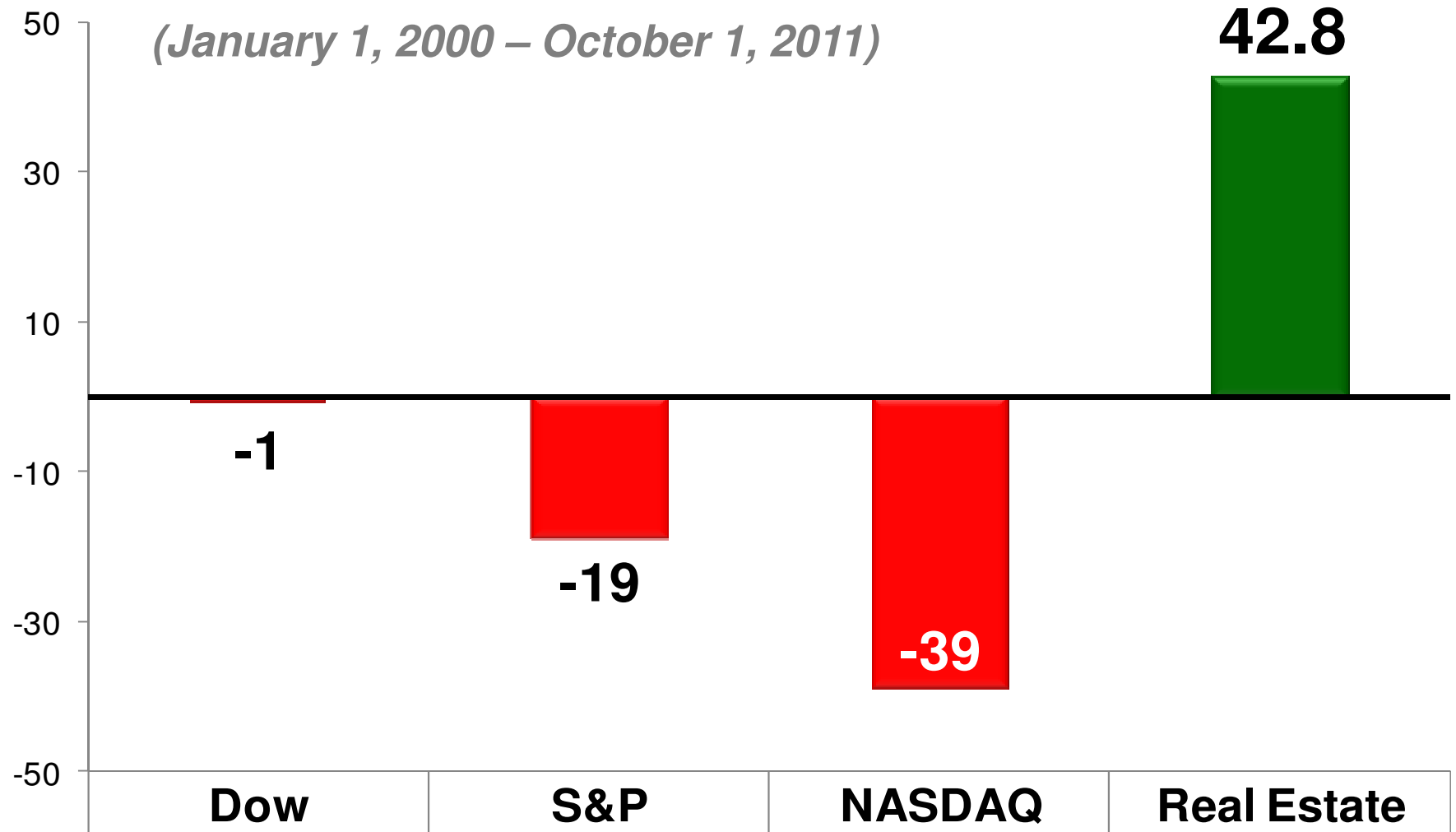
Next year, she said sales should reach a 6.5 million pace and housing starts could hit 1 million.”



Who Do Americans Trust?



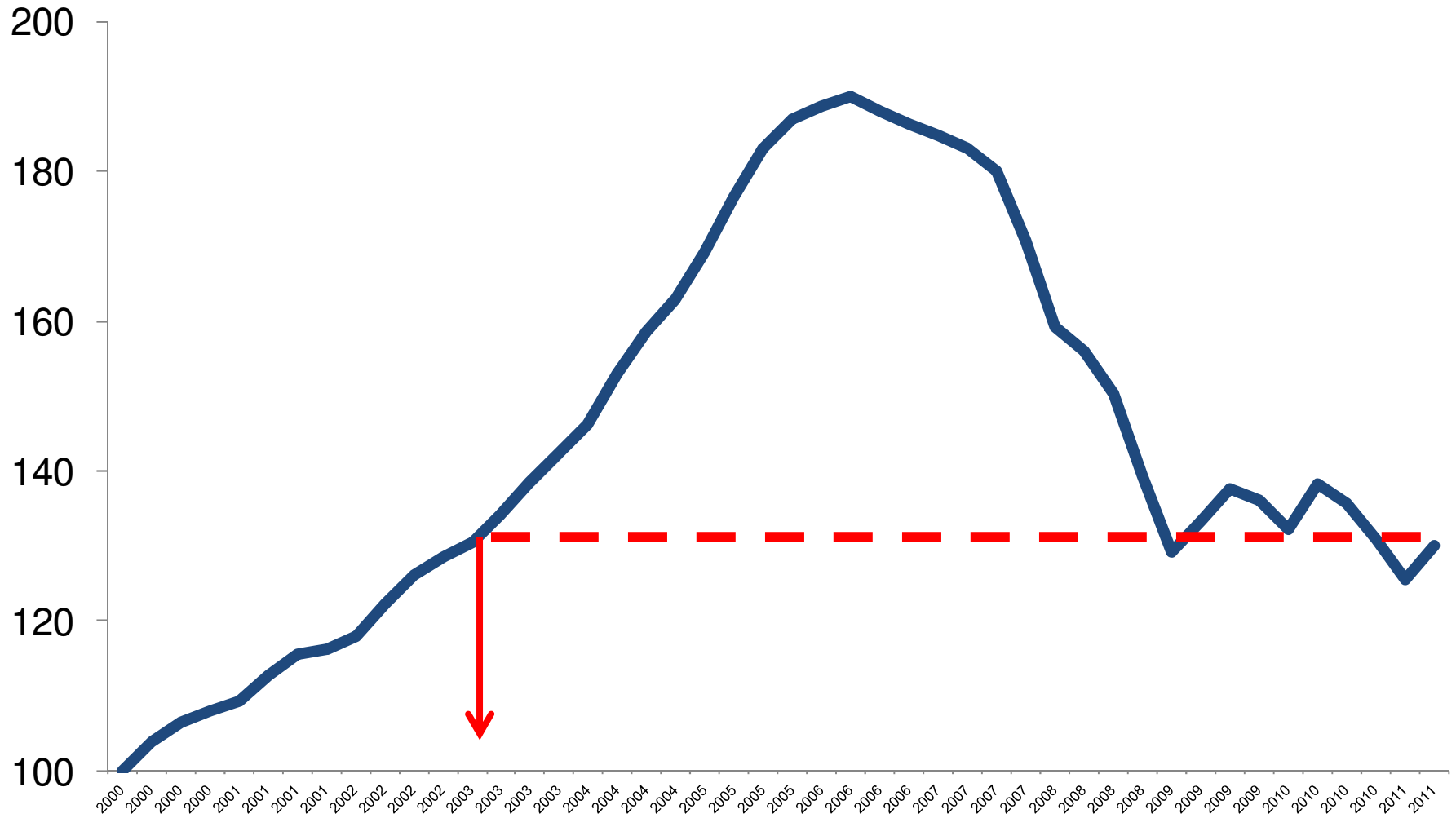
Return on Investment



Mortgage Rates - 30 year fixed



Prices Back to 2003 1Q Prices



Case Shiller 9/2011

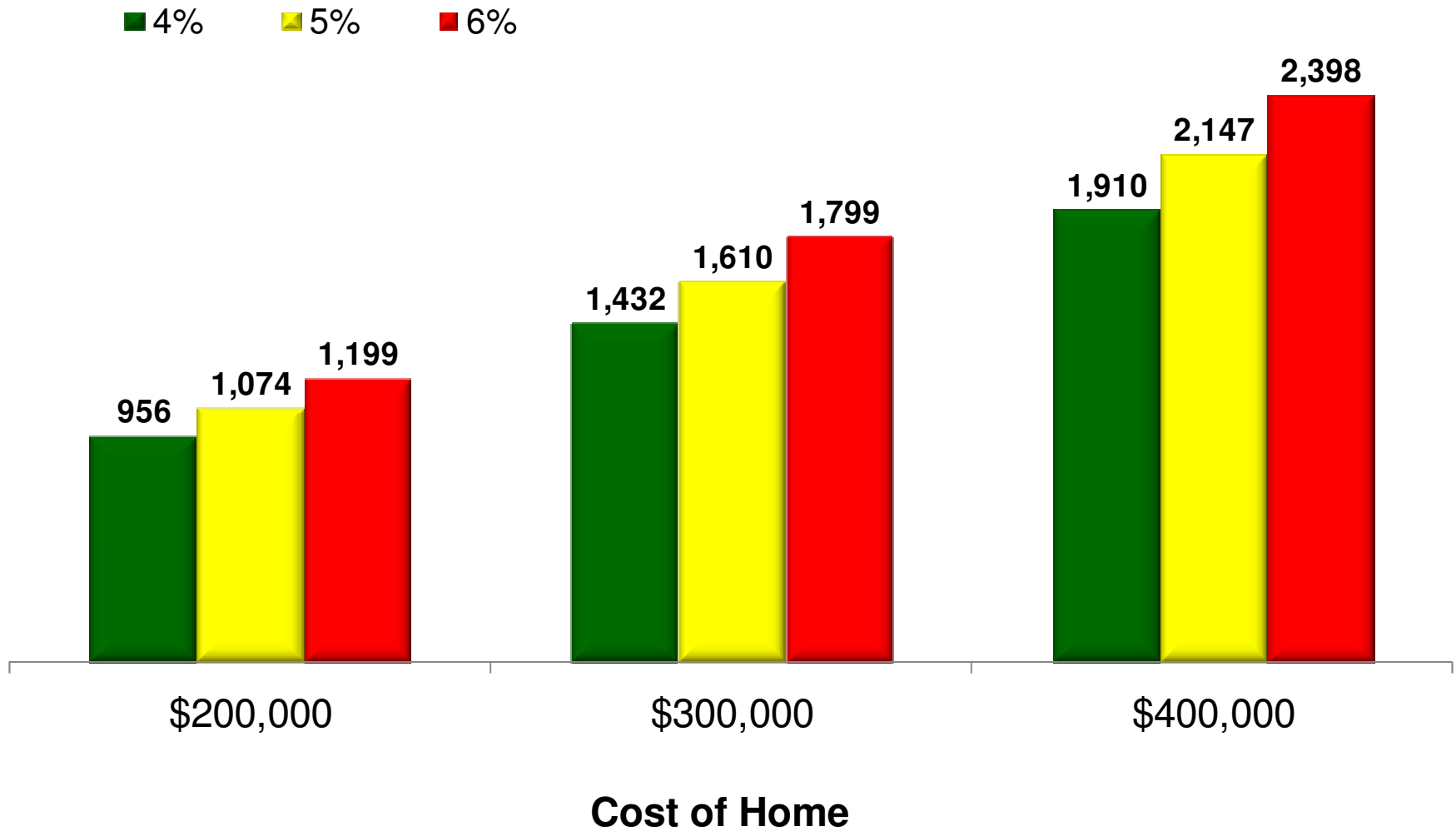
Same Price, Major Difference in Cost

| Month | Price | Rate* | P&I** |
|-----------------|---------|-------|----------|
| 2003 | 200,000 | 5.84 | 1,178.61 |
| TODAY | 200,000 | 4.01 | 955.98 |
| Monthly Savings | | | 222.63 |



* Freddie Mac 30 Year Rate **Principal and Interest

Change in Payment When Rates Increase



Was It Worth Waiting?

| Month | Price* | Rate** | P&I*** |
|---------|---------|--------|--------|
| Jan '11 | 157,900 | 4.77 | 825.59 |
| TODAY | 168,300 | 4.01 | 804.46 |

Mortgage Payments Fell

2.6%

A decrease of \$21.13 /month

*NAR Median Price ** Freddie Mac 30 Year Rate ***Principal and Interest



At the Same Time...

Rents have climbed

5.9%

Multi-Family Executive 9/19/2011



2.6% percentage the cost of owning
the average priced home has
decreased this year.*

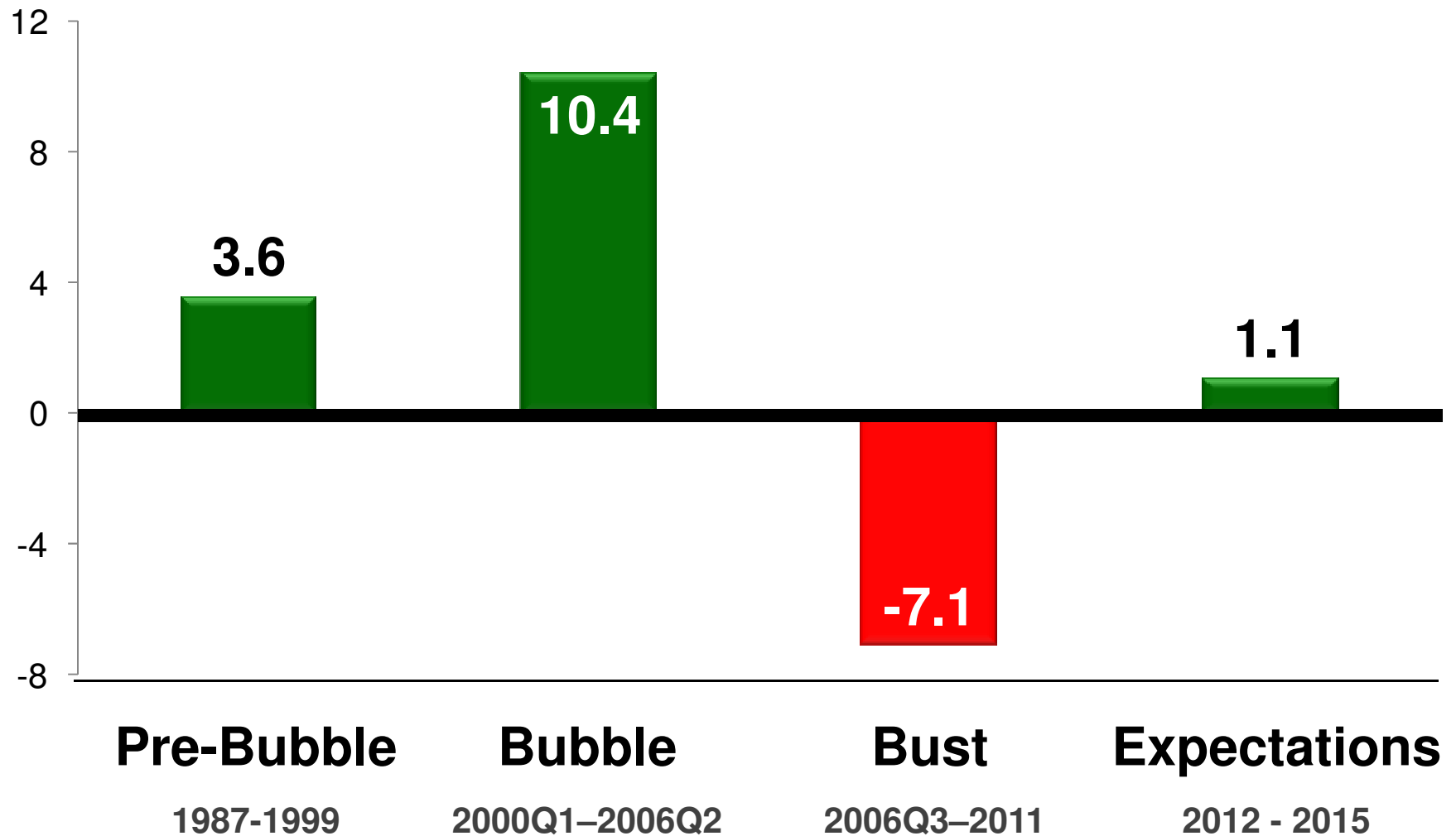


5.9% percentage rents have
increased this year.



Source: Multi-Family Executive

Annual Appreciation & Depreciation





% of homeowners who see it as a positive experience

95

Fannie Mae's National Housing Survey 2011

% who see homeownership as the American Dream

88

New York Times & CBS News Survey 2011

% who see owning a home as the best long term investment

81

Pew Research Center Survey 2011

% who think now is the time to buy

69

Gallup Poll 2011



Supply & Demand



Payment Default

Good News: The percentage of mortgage delinquencies has fallen dramatically

Bad News: We still have over 1.8 million homes in this category

More Foreclosures

Good News: There are less homes entering the foreclosure process

Bad News: We have over 2 million homes currently in the process

Falling Home Prices

Good News: Prices stabilized over the last few months as foreclosures were delayed

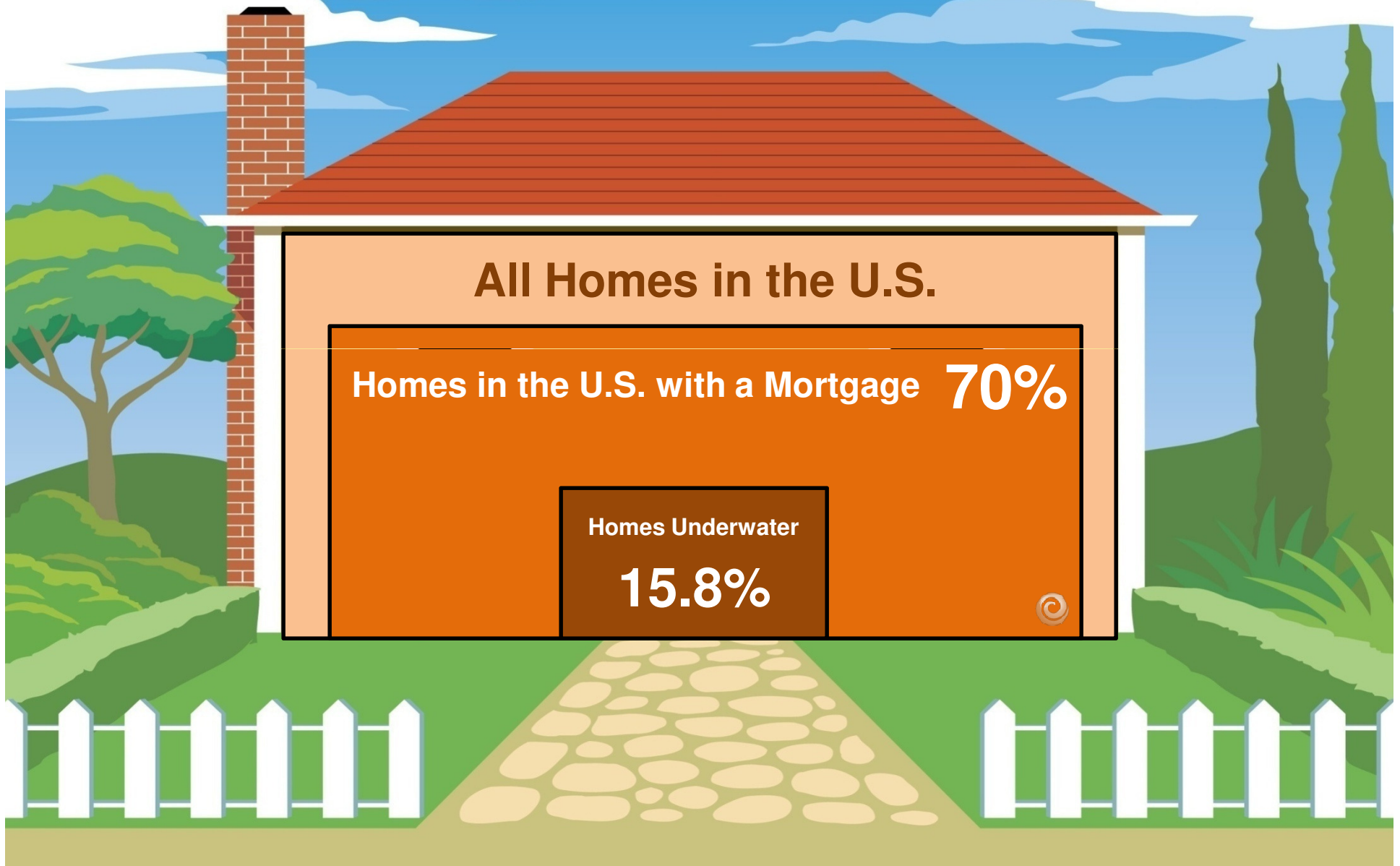
Bad News: Experts predicting a 5-10% decline in prices as foreclosures are released

Negative Equity

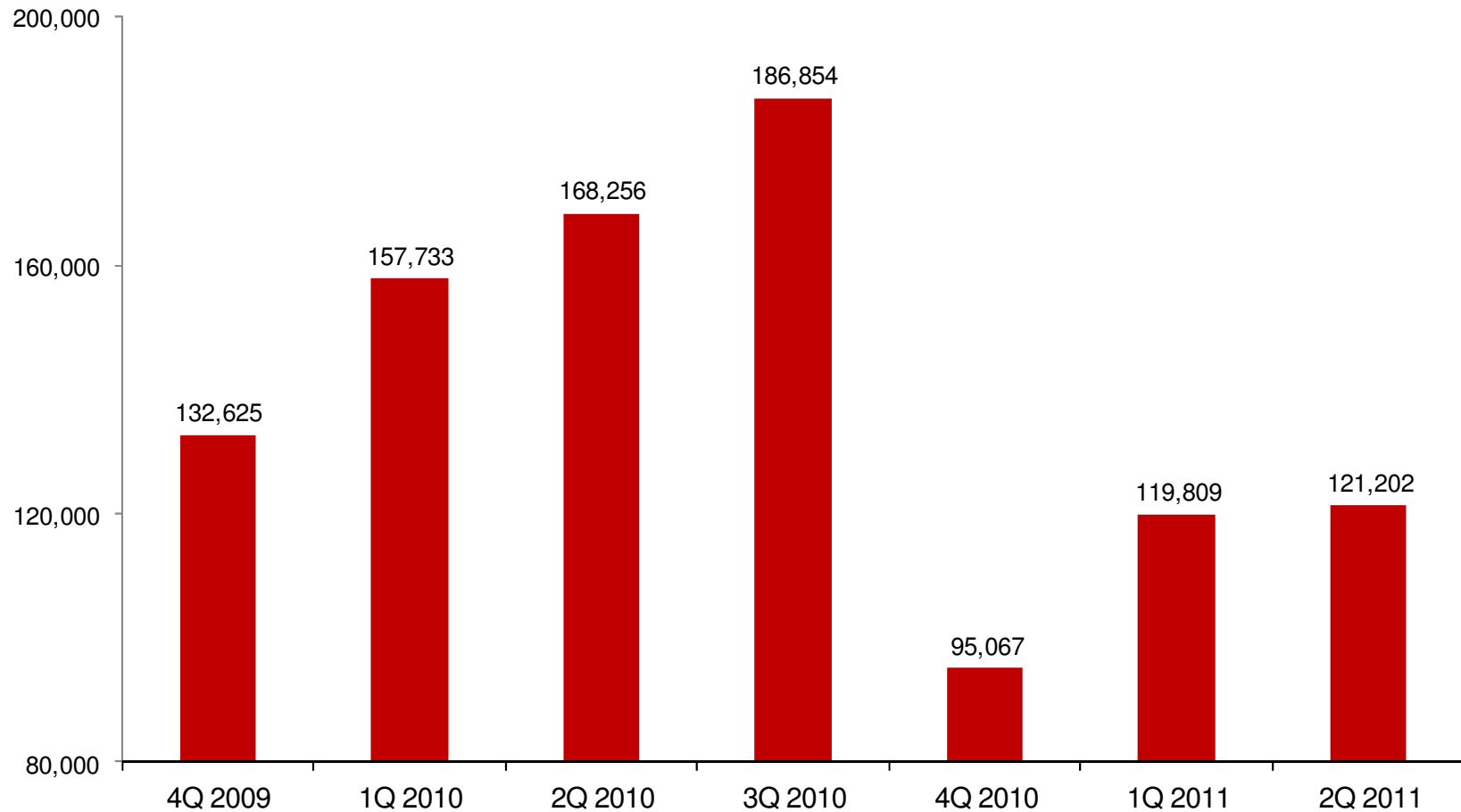
Good News: The percentage of homes underwater decreased since 1Q 2011

Bad News: If prices soften that trend will reverse leading to more mortgage delinquencies

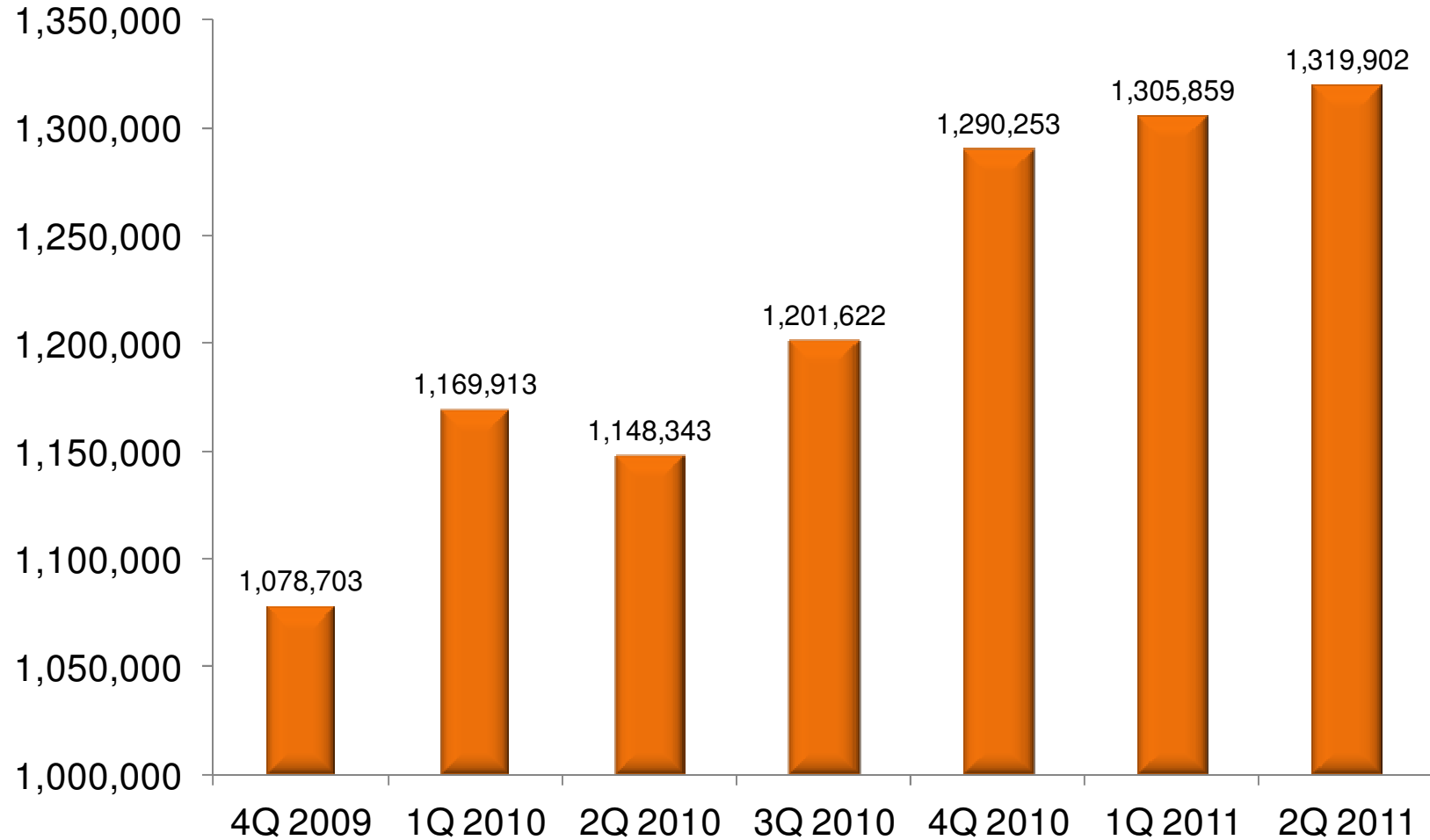
Percentage of All Homes Underwater



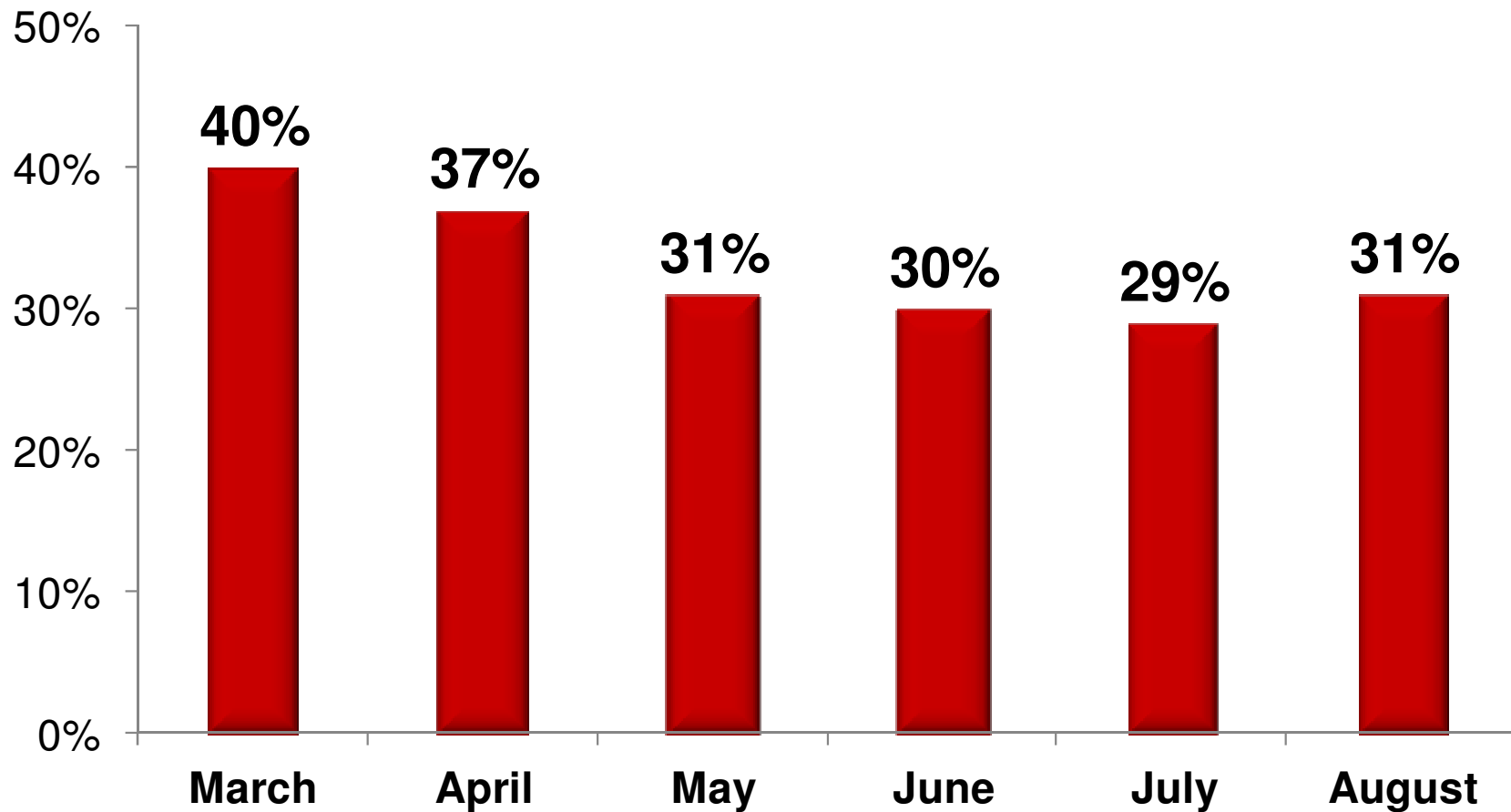
Completed Foreclosures



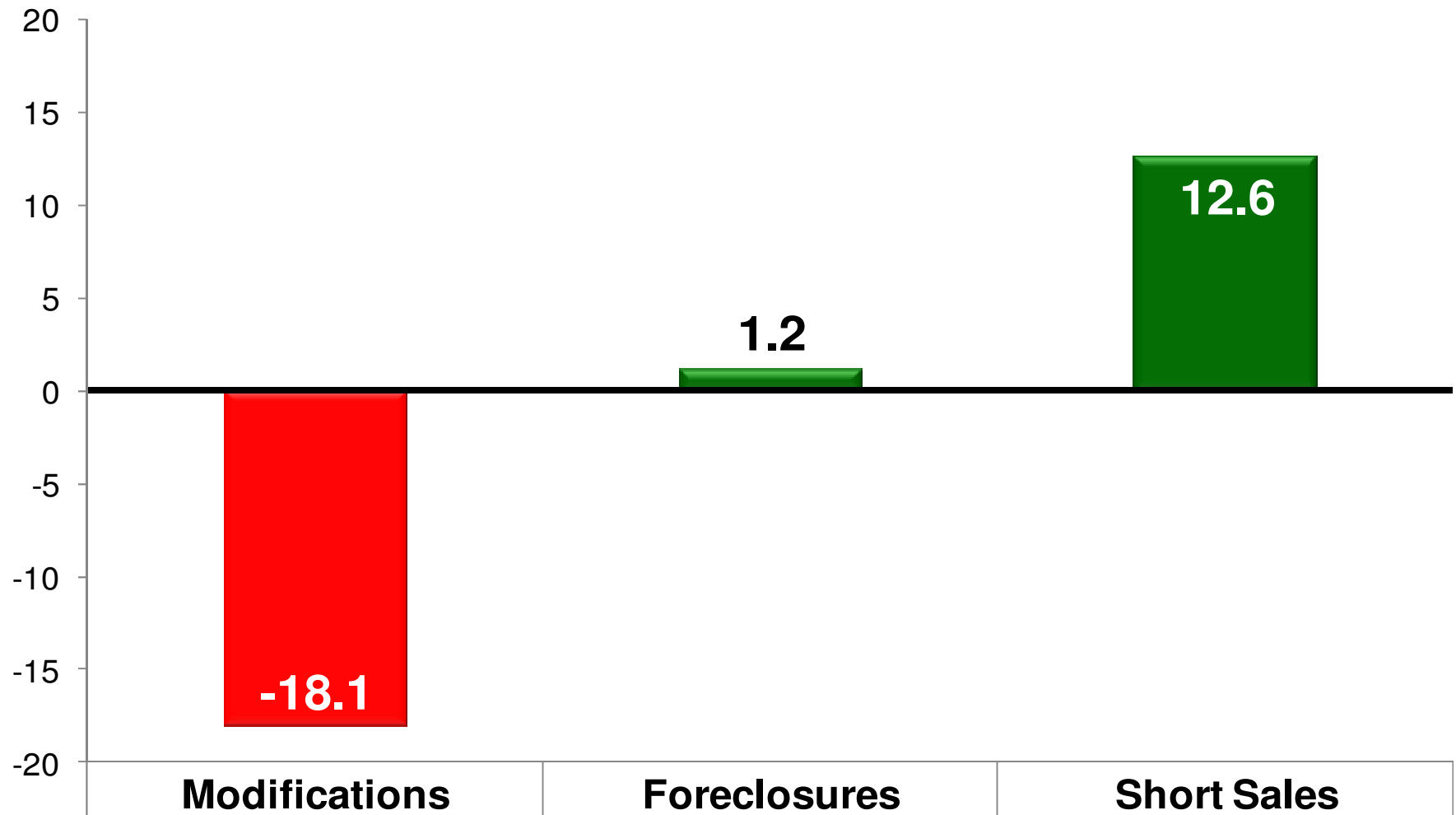
Foreclosures in Process



Percentage of Distressed Property Sales



Percentage Change from Q1 by Category



Shadow Inventory

“The big increase in new foreclosure actions may be a signal that lenders are starting to push through some of the foreclosures delayed by robo-signing and other documentation problems. It also foreshadows more bank repossessions in the coming months as these new foreclosures make their way through the process.”

James Saccacio, CEO of RealtyTrac



Prices

"Given the vast number of current and potential delinquencies, a sustained increase in foreclosures would unleash a tidal wave of properties into bank inventories, and ultimately into the nation's housing markets. The resulting growth in the inventory of distressed homes for sale would exacerbate the current imbalance of supply and demand and put further negative pressure on home values."

Quinn Eddins, Director of Research at Radar Logic

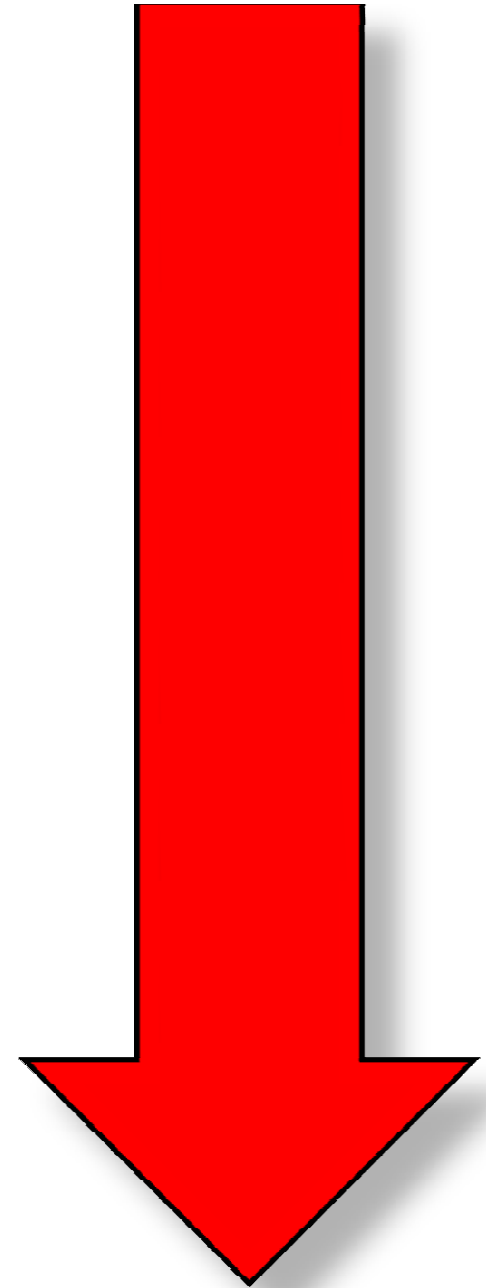
Radar Logic 09/22/2011

Prices

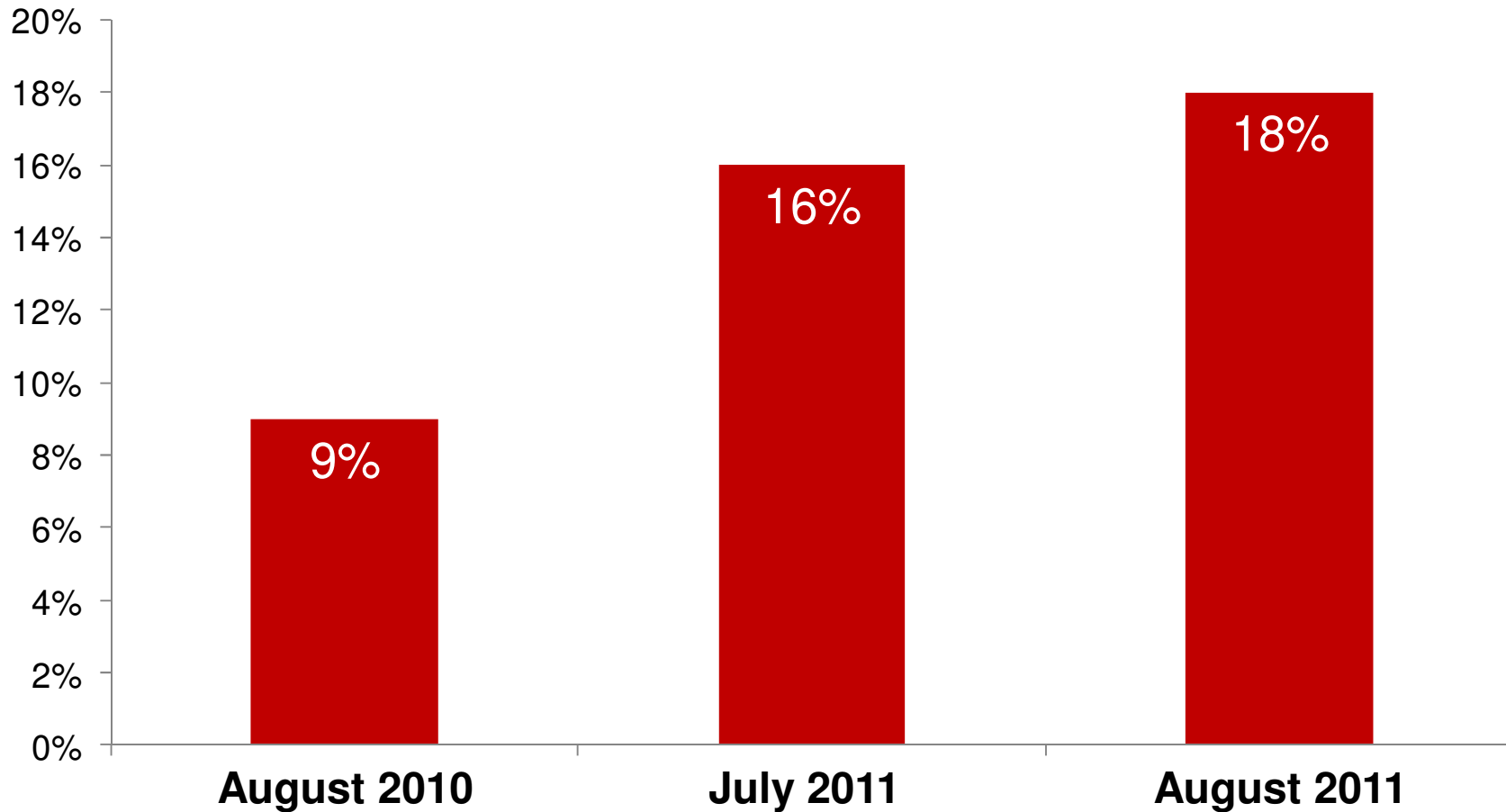
Home prices could dip another

6% to 7%

before hitting rock bottom in
early 2012, according to
analysts at JPMorgan Chase.



Percentage of Contract Failures



“Contract failures – cancellations caused largely by declined mortgage applications or failures in loan underwriting from appraised values coming in below the negotiated price.”

Resources

| Slide | Slide Title | Link |
|------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | Existing Home Sales | http://www.realtor.org/press_room/news_releases/2011/09/ehs_aug |
| 3 | Pending Home Sales | http://www.realtor.org/press_room/news_releases/2011/09/phs_august |
| 4 | Housing Market | http://www.housingwire.com/2011/09/30/market-reports-point-to-housing-desolation |
| 5 | Trusting Media | http://people-press.org/2011/09/22/press-widely-criticized-but-trusted-more-than-other-institutions/?src=prc-headline |
| 6 | Return on Investment (Prices) | http://www.standardandpoors.com/home/en/us |
| 6 | Return on Investment (Stocks) | http://money.msn.com/ |
| 7 | Mortgage Rates | http://www.freddiemac.com/pmms/ |
| 8 | Historic Prices | http://www.standardandpoors.com/indices/sp-case-shiller-home-price-indices/en/us/?indexId=spusa-cashpidff--p-us---- |
| 9 | Mortgage Comparison | http://www.freddiemac.com/pmms/ |
| 12 | Rent Increases | http://multifamilyexecutive.com/rents/apartment-operators-ready-to-push-rents-hard-and.aspx |
| 14 | Prices | http://www.macromarkets.com/real-estate/home-price-survey.asp |
| 19, 20, 22 | Foreclosure Stats | http://www.occ.treas.gov/news-issuances/news-releases/2011/nr-occ-2011-124.html |
| 21 | Distressed Sales | http://www.realtor.org/press_room/news_releases/2011/09/ehs_aug |

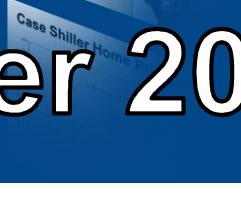
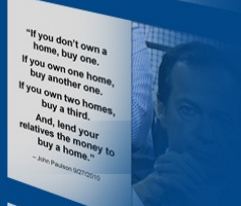
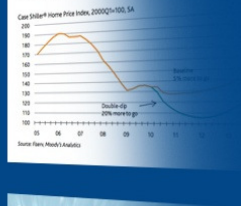
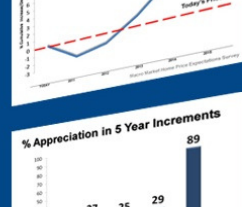
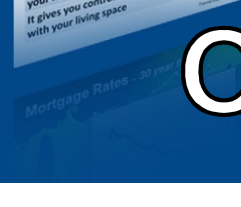
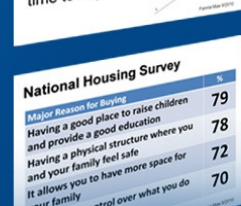
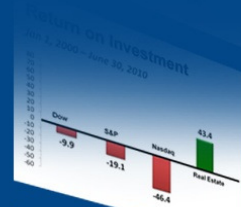
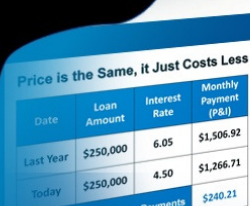
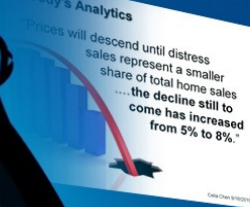
Resources

| Slide | Slide Title | Link |
|-------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 23 | Shadow Inventory | http://www.realtytrac.com/content/foreclosure-market-report/august-2011-us-foreclosure-market-report-6836 |
| 24 | Prices | http://www.radarlogic.com |
| 25 | Prices | http://www.housingwire.com/2011/09/09/jpmorgan-expects-further-drop-in-home-prices |
| 26 | Contract Failures | http://www.realtor.org/press_room/news_releases/2011/09/ehs_aug |



**Let's not curse the wind.
Let's adjust our sails.**

Keeping Current Matters



October 2011